

**Philadelphia Water Department  
2025 General Rate Proceeding  
Rate Period: FY 2026 and FY 2027**

**Settlement Term Sheet**

The following is an outline of the issues discussed with the Public Avocate this morning.

**A. Black Box Settlement**

This Settlement is a “black box” settlement. Under a “black box” settlement, parties do not specifically identify adjustments to projected revenues and expenses. The Joint Petitioners believe that the “black box” concept facilitates settlement agreements because it permits parties to retain their positions on important ratemaking issues for the proceeding at hand as well as for future proceedings.

| <b>Additional Service Revenues</b>       |          |           |
|--|----------|-----------|
|  | FY 2026  | FY 2027   |
| Table C-1A, line 4                       | \$60,920 | \$74,446  |
| Table C-1A, line 5                       |          | \$54,000  |
| <b>Total Additional Service Revenues</b> |          |           |
| Table C-1A, Line 9                       | \$60,920 | \$128,446 |

Additional Areas of Agreement:

**1. Cost of Service**

PWD agrees to develop plan for evaluation of rate structure alternatives including those listed below by January 2026. Plan is to be filed with the Board, including target dates for commencement and completion of milestones.

- Stormwater rate structure issues (residential rate structure options, residential stormwater discounts/credits; recovery of SMIP/GARP related credits); and
- Rate structure alternatives, generally.

## **2. Customer Service**

PWD/WRB agree to the following:

- Provide quarterly reporting regarding Raise Your Hand program.
  - Provide quarterly reporting regarding UESF grant program and efforts being taken to support UESF's continued hardship fund operations, designate PWD employee as contact for hardship grants.
  - Provide revision to TAP application language regarding Minor Income and TAP eligibility.
  - Agree to meet to discuss "Additional Subsidization" in workshop setting with PA and others.
3. All issues not explicitly agreed upon above or as a part of the "black box" settlement (additional service revenues) are withdrawn without prejudice.

## **B. Issues Reserved For Litigation**

It is understood and agreed among the Joint Petitioners that any issues not expressly reserved for litigation are not being fully litigated in this proceeding. The lack of full litigation on any issue raised in this proceeding is without prejudice to any position which any of the Joint Petitioners may have advanced and without prejudice to the position any of the Joint Petitioners may advance on the merits of the issues in future proceedings, except to the extent necessary to effectuate the terms and conditions of this Settlement.

### **1. Issues Raised by Written Testimony by L. Haver**

All of the issues raised by written testimony by L. Haver are reserved for litigation.

### **2. Issues Raised by Written Testimony by M. Skiendzielewski**

All of the issues raised by written testimony by M. Skiendzielewski are reserved for litigation.